

FY 1999/2000 PROPOSED BUDGET EXECUTIVE SUMMARY

The FY 1999/2000 all funds budget totals \$344 million. This represents an increase of approximately \$27 million or 8.7% more than the FY 1998/99 budget. This summary describes the budget by fund type.

GENERAL FUND

Overall, the General Fund revenue projection, including all sources, is an increase of \$9 million or 5.5% over the adopted FY 1998/99 budget. The following table summarizes the revenue picture:

REVENUE SUMMARY

<u>Resources Available</u>	<u>FY 1998/1999 Original Budget</u>	<u>FY 1998/1999 Estimated Actual</u>	<u>FY 1999/2000 Proposed Budget</u>
Ad Valorem Taxes - Operating	\$ 52,815,892	52,910,000	56,341,621
Ad Valorem Taxes - Debt	7,011,022	7,035,900	6,904,732
Franchise Fees	12,337,280	12,643,461	12,712,120
Utility Taxes	25,647,870	26,945,000	27,108,687
Licenses & Permits	7,532,238	7,766,200	7,882,300
Intergovernmental	17,262,996	18,203,719	14,562,600
Charges for Services	16,841,867	15,459,129	17,716,645
Fines & Forfeitures	1,946,324	2,048,723	1,955,550
Miscellaneous:			
Interest	928,200	991,300	957,530
Leases/Rents	1,979,241	2,188,129	2,141,134
Special Assessments	-	-	5,114,249
Other Miscellaneous	13,331,739	13,367,264	13,861,145
Non-Revenues:			
Working Capital Reserve	1,500,000	1,500,000	1,500,000
Prior Year Balance	4,523,011	8,942,905	3,899,672
Transfers	396,248	435,638	300,000
Total Resources Available	\$ <u>164,053,928</u>	<u>170,437,368</u>	<u>172,957,985</u>

Property Taxes – The proposed property tax millage rate for operating purposes is 4.9574 compared to the current operating millage rate of 5.0062. In addition to the property tax levied for operating purposes, property taxes also include a separate debt levy which is used to pay debt service costs (principal and interest payments) on outstanding General Obligation (G.O.) Bonds. The 1977 bond issue has been retired with the payments made during FY 1998/1999. The current outstanding debt issues are 1987 bonds which were refunded in 1992 and again in 1998. Debt service for that issue will be \$3,916,300 in FY 1999/2000 which will require a levy of \$4,222,731 and a millage rate of 0.3549 compared to the current millage rate of 0.3825. The 1997 bond issue requires a debt service payment in FY 1999/2000 of \$2,880,423 which require a gross levy of \$3,023,375 and a millage rate of 0.2541 compared to the current millage rate of 0.2733. The combined millage rate proposed for operating and debt service for Fiscal Year 1999/2000 is 5.5664 compared to the current combined rate of 5.6733.

Property taxes from the debt levy are shown as revenue to the General Fund and then transferred to the debt service fund. Accordingly, transfers from the General Fund to the debt service fund are proposed in the amount of \$6,904,732 which assumes a 95.5 percent collection rate as well as receipt of some delinquent taxes from prior years. To the extent the City receives any delinquent payments for 1977 bonds, the payments will be applied to current G.O. debt service obligations.

The operating property tax rate is restricted to no more than 10 mills (\$10 per \$1,000 of taxable value) for municipalities. Adoption of any increase in the total levy beyond new construction or annexation is required to reference the rolled-back rate, which is the rate necessary to generate the same taxes as were received in the prior year. The City's rolled-back rate for FY 1999/2000 is 4.7129. Compared to this rolled-back rate, the proposed rate is a 5.22 percent increase. The increase in the total rate is 4.22% over rolled-back. As described in the City Manager's Budget Message, the dollar impact to the average homeowner in Fort Lauderdale is no increase due to the impact of the "Save Our Homes" State Constitutional amendment. That provision limits the increase in assessed value to the Consumer Price Index. For this year, the limit is 1.6 percent. The limit essentially shifts the tax burden from residential property to non-residential property. Included is a comparison of current millage rates for Broward County taxing jurisdictions as well as larger Florida cities (Schedule A).

Impact of Property Tax rates on Average Homeowner

	Levied FY 1998/1999	Proposed FY 1999/2000
Assessed Value	\$150,000	\$152,400
Homestead Exemption	<u>25,000</u>	<u>25,000</u>
Taxable Value	\$125,000	\$127,400
Operating Millage	5.0062	4.9574
Debt Service Millage	<u>0.6671</u>	<u>0.6090</u>
Total Millage	5.6733	5.5664
Total Tax Bill	\$709.16	\$709.16

Franchise Fees – Franchise fees are payments made by utility companies for the privilege of constructing upon and operating within property owned by the City. The basis for the fees is provided for in long-term agreements, which do not expire for several years. Florida Power and Light (FPL), which is projected to

pay 82 percent of the \$12,712,120 estimated, remits 6 percent of its gross revenue derived from accounts within the City limits, less property tax and minor fees previously paid to the City. Other franchise fee payers include People's Gas, BellSouth, and Comcast Cable Television. The projection for FY 1999/2000 reflects a 2.5 percent increase from the current year's budget.

Utility Taxes – The City levies a 10 percent utility tax on electric, gas, and water utility bills for customers within the City. The telecommunications rate is 7 percent. As with franchise fees, FPL is the largest taxpayer comprising 51 percent of the total amount projected. This revenue source continues to benefit from the expansion of cellular telephone use. The projection reflects a continued strong showing for this revenue.

Charges for Services – This revenue is associated with revenue received from users of specific services. These services include user fees for police, building inspection, planning, docks, parks and recreation. Significant changes in this revenue category include the loss of detention revenue from Broward County for booking at the City jail and the use of City jail space for the Alternative Treatment Against Crack Cocaine (ATACC) Program (\$979,000). The projection assumes continuation of Broward County reimbursement for City costs related to police dispatch (\$3.5 million). The projection also includes the revenue to be received from patients transported under the City's new emergency medical service program (\$3 million).

License and Permit Fees – License and permit fees include occupational licenses issued to authorize business to operate within the City limits and development permits issued to authorize building and construction within the City limits. While the occupational license revenue is fairly static, the development permits reflect the strong economic conditions and the market demand for office, retail, and residential construction. The permit revenue is projected to increase 4.6 percent from the FY 1998/1999 original budget estimates for the next fiscal year.

Intergovernmental Revenue – This revenue source is comprised of recurring State and County-shared revenue. The State of Florida shares motor fuel, alcoholic beverage license, cigarette, and sales tax revenue with local government on the basis of population. Broward County provides gasoline and occupational license revenue. The major change in this revenue category is the City's decision to provide emergency medical services on its own. For the past three years, the City was a participant in the Broward County Municipal Services Benefit Unit (MSBU) for emergency medical services. Therefore, the current fiscal year reflected a \$3 million reimbursement for City expenses by the MSBU. The FY 1999/2000 budget reflects the elimination of that revenue offset by an increase in miscellaneous revenue with the levying of a non-ad valorem special assessment for fire-rescue.

Fines and Forfeitures – This revenue category includes fines for traffic and other City Code violations. The revenue source is stable but is intended primarily to encourage compliance with the City code rather than be a revenue generator.

Miscellaneous Revenue – This revenue source includes interest earnings, rents, the new special assessment for fire-rescue, and interfund charges. The major change is the levying of the new special assessment, which is estimated to generate \$5.1 million. The City Commission has approved a rate schedule developed by an outside consultant and all property owners within the City limits have been notified of the new fee. Property owners will no longer pay the MSBU fee to Broward County which was levied the last three years (and will be less than the proposed fee that Broward County has indicated that they will be charging to residents outside the City).

Non-Revenues – Non-revenues consist of working capital reserve, prior year balance, and transfers from other funds. The working capital reserve was created in FY 1993/1994 to provide additional protection against economic downturns. The prior year balance represents available funds from the current year to fund next year's budget. The current year's amount differs from the budgeted amount in that the estimate reflects encumbrances incurred last year which were outstanding at September 30, 1998 as well as any additional balance available after the final audit of the previous fiscal year. The one transfer into the General Fund for FY 1999/2000 is a \$300,000 transfer from the Beach Community Redevelopment Agency for payback to the General Fund, which fronted investment, and management of beach projects before a positive tax increment was available.

GENERAL FUND

EXPENDITURE SUMMARY BY DEPARTMENT

<u>Resources Allocated</u>	<u>FY 1998/1999 Original Budget</u>	<u>FY 1998/1999 Estimated Actual</u>	<u>FY 1999/2000 Proposed Budget</u>
Administrative Services	\$ 7,490,588	7,952,648	7,747,238
City Attorney	1,606,532	1,568,760	1,624,635
City Clerk	682,136	756,635	837,730
City Commission	201,439	196,439	194,048
City Manager	1,538,679	1,609,528	2,598,687
Community & Economic Development	-	-	6,443,037
Finance	3,058,412	3,034,474	3,187,875
Fire-Rescue	-	-	31,337,494
Fire-Rescue and Building	32,022,823	34,398,310	-
Parks and Recreation	21,256,328	22,231,437	21,322,396
Planning & Economic Development	5,481,042	5,223,296	-
Police	58,502,709	60,479,635	61,122,674
Public Services	10,993,666	10,761,930	15,954,952
Other General Government	1,777,189	1,748,304	1,292,974
Contingencies	2,700,000	500,000	2,260,000
Transfers Out	15,242,385	14,460,462	15,434,245
Working Capital Reserve	1,500,000	1,500,000	1,600,000
Year End Balance	-	4,015,510	-
Total Resources Allocated	\$ <u>164,053,928</u>	<u>170,437,368</u>	<u>172,957,985</u>

Program highlights include:

Administrative Services – The proposed budget includes a new Clerk Typist I position (\$27,000) to implement vendor registration in the Purchasing Division. Funding is also proposed for a classification and

pay study for management and confidential positions (\$50,000 in the General Fund plus \$15,000 from other funds).

City Clerk – The proposed budget includes funding for City elections in February and March 2000 (\$86,000). A total of \$30,000 is included to purchase software for electronic access to Commission agenda material by persons other than Clerk staff. The proposed appropriation provides for continuation of part-time help for the City Clerk.

City Manager's Office – The proposed budget reflects the portion of the organizational realignment that transferred Public Information from Planning and Economic Development. The recommended appropriation includes the purchase of a citizen response system (\$30,000) and additional resources for Diversity Management including an Equal Opportunity Specialist starting mid-year (\$22,000), managerial training and program materials (\$20,000), and appropriate office space (\$17,000).

Fire-Rescue – This department reflects the administrative realignment that has transferred the One-Stop Shop for development to Public Services and Code Enforcement to Community and Economic Development. The transfers leave the Department with its main mission of fire suppression, emergency medical services (EMS), and fire prevention. The proposed budget provides for implementation of the entirely City-managed EMS program including the full-year's cost of 54 additional firefighter/paramedics authorized in FY 1998/1999, supplies and a billing clerk (\$200,000), and additional fleet charges for keeping ten ambulances available for service (\$618,000). The proposal provides for the one-time cost of termination pay for firefighters participating in the Deferred Retirement Option Program (DROP) at a price tag of \$1.2 million. An additional \$250,000 has been added to the recommended appropriation to more fully cover anticipated overtime.

Community and Economic Development – The Department is the reorganized previously named Planning and Economic Development Department. The new department includes staffing for the Community Area Planning (CAP) program (\$151,000 in additional costs) and increased staffing for Code Enforcement including an Assistant Community Inspections Manager (\$56,000), a Service Clerk (\$32,000), full-year funding for four lead Code Enforcement Officers, and \$30,000 for citizen code officers.

Parks and Recreation – The proposed budget emphasizes the maintenance of newly completed parks bond projects including Holiday Park (\$120,000), various neighborhood parks (\$116,000), and Mills Pond Park (\$44,000). Maintenance of Florida Department of Transportation improvements is also included (\$40,000).

Police – The proposed budget provides for the grant match to fund six civilian positions (\$210,000) which will free up six Police Officers who will be redeployed to more fully use their training as law enforcement officers. A total of \$1 million has been added to the proposed appropriation to more closely cover the anticipated use of overtime. The proposed budget includes expenditures for police and fire-rescue dispatch and the \$1.1 million needed for Police Officers participating in the DROP program.

Public Services – The Department, as proposed, reflects the reorganization which has transferred the One-Stop Shop for development from the former Fire-Rescue and Building Department to Public Services. The proposed budget includes full funding of temporary positions added in prior years but funded through salary savings. In addition, an Administrative Aide position has been included for zoning (\$40,000) as well as funding for technological improvements (\$50,000) in the One-Stop Shop.

Other General Fund Expenditures – This expenditure category includes items that are not attributable to City departments. Funding is provided for various social service, cultural, and promotional organizations in the community. The Community Services Board has evaluated the social and cultural applications for this funding and the Economic Development Advisory Board has reviewed the promotional proposals. Their recommendations are presented in Schedule B. The Other General Fund Expenditures budget also includes funding for City mission related expenditures.

Contingencies – This appropriation is designed to cover expenditures not anticipated at the time of budget adoption. The proposed funding level also includes an amount for cost-of-living adjustments for management and confidential employee compensation. Union contractual increases have already been approved by the Commission and are spread to each departmental appropriation already. With Commission concurrence, these pay raises will be spread to the appropriate departmental amounts.

Transfers – A transfer is an interfund transaction. Transfers out of the General Fund include resources for debt service (principal and interest) payments, contribution to the capital improvement program, and grant matching dollars.

	FY 1998/1999 Original Budget	FY 1998/1999 Estimated Actual	FY 1999/2000 Proposed Budget
<u>TRANSFERS IN</u>			
MIU Confiscation	\$ 50,000	89,390	-
Sunshine State Construction	107,750	107,750	-
Community Redevelopment	238,498	238,498	300,000
Total Transfers In	\$ 396,248	435,638	300,000
<u>TRANSFERS OUT</u>			
Capital Improvement Plan	\$ 3,549,062	3,549,062	3,700,000
Beach Community Redev. Agency	381,393	366,234	557,719
General Obligation Bond Debt Svc.	7,011,022	7,035,900	6,904,732
Excise Tax Debt Service	1,357,163	2,277,961	2,651,926
Sunshine State Debt Service	2,024,127	197,885	562,920
Vehicle Rental Fund	-	229,640	108,000
Grant Matching Funds	724,000	724,000	724,000
Parking Fund	195,618	195,618	224,948

Total Transfers Out	\$		15,434,245
		<u>15,242,385</u>	<u>14,576,300</u>

Year-End Balance/Working Capital – Savings in the current fiscal year (revenues minus expenditures) represent a significant resource for funding future budgetary requirements. The City has traditionally appropriated all identified resources for service delivery except for \$1.5 million for working capital reserve. Such a reserve provides a minimal safety net for drops in revenue.

SANITATION FUND

The Sanitation Fund provides the City with refuse collection, trash transfer station, lot clearing, bulk trash collections, recycling and street cleaning services. In early FY 1998/1999 we proceeded with enhancing our level of service in this program by providing once a week yard waste cart service to our customers. This enhanced level of service has resulted in the twice-monthly bulk service to be adjusted to once a month. In addition, we have reduced the size of the refuse containers to encourage recycling. These changes have enabled us to meet the increases due to COLAs and other operational increases without raising rates.

Remediation of the old Wingate Landfill and Incinerator site is proceeding and based on the agreements between the City, the other Potential Responsible Parties and EPA, it should be able to be financed with the 6% rate increase approved by the City Commission for this purpose in April 1995.

The FY 1999/2000 budget for Sanitation is \$16,713,536, an increase of \$184,545 or 1.1% from the FY 1998/1999 budget. This increase results primarily from the 3.5% COLA for the AFSCME Union contract and a payment to the Water & Sewer Fund for Sanitation Fund's portion of the utility billing operation. Sanitation revenues are sufficient to meet operational commitments and no increase in rates is necessary.

WATER AND SEWER FUND

The City of Fort Lauderdale supplies water and sewer services on a regional basis for over 300,000 residents of central Broward County. Areas serviced by the City's water treatment and distribution system include Fort Lauderdale, Port Everglades, Sea Ranch Lakes, Lauderdale-by-the-Sea, Oakland Park, Wilton Manors, and portions of unincorporated Broward County, Davie, and Tamarac.

The total FY 1999/2000 operating budget for the Water and Sewer Fund is \$33,390,609, an increase of \$1,445,051 or 4.5% above the FY 1998/1999 budget. The increase is due to the 3.5% COLA for the AFSCME Union contract and approximately \$1.15 million for an enhanced water meter replacement program. The water meter replacement program has additional revenue associated with it which will more than offset the cost of the program by the end of the second year. Other increases were minimized by the efforts of the Public Services CALM Committee (RESCUE) to reduce operating costs while still maintaining service levels. Water and Sewer Fund revenues are sufficient to meet operational commitments with no increase in rates necessary.

The Commission has recognized the need to continue to invest in the recapitalization of the City's water and sewer infrastructure. The enhanced water main replacement program, increased levels of sewer rehabilitation and other ongoing capital needs require an increased level of transfer into the capital program. To generate funds for these future requirements, a 4.0% across-the-board water and sewer rate increase has been included in previous years. No increase for capital projects is recommended this year. As in the past, major capital dollars beyond our "pay as you go" philosophy for funding long-range projects such as water plant modifications for ozone, membrane filtration treatment, major inflow and infiltration sewer projects and finalizing the sludge residuals issue, will be generated from the proceeds of external debt instruments. By the end of FY 1999/2000 our Master Plans will be completed which will give us a better handle on our capital needs as we head into the new millennium.

CENTRAL REGIONAL WASTEWATER SYSTEM FUND

The City of Fort Lauderdale, through Large User Agreements, operates the Central Wastewater Region to provide treatment services for Fort Lauderdale, Oakland Park, Wilton Manors, Port Everglades, and parts of Tamarac. These agreements, necessitated by federal funding requirements, establish the methodology for setting rates to large users. The City Commission establishes a billing rate based upon estimated expenses for the coming fiscal year. At the close of each fiscal year, the fund is audited and the actual rate determined. If necessary, lump sum rebates or charges are made to adjust the amounts paid during the year. In the past, the rate calculated at year end has been less than the budgeted rate resulting in rebates instead of charges.

The FY 1999/2000 operating budget for the Central Regional Wastewater System is \$7,848,082, a decrease of \$319,840 which translates to a 3.9% decrease over the FY 1998/1999 budget. Therefore, the Large User rate is expected to be approximately \$0.75 per 1,000 gallons and will be submitted to the Large User Committee at a meeting in August. This rate should provide adequate revenues for the Region's needs through the end of FY 1999/2000.

STORMWATER MANAGEMENT SYSTEM FUND

The City's Stormwater Management program is entering its seventh year of operation. Revenues collected are used for operating expenses and capital improvements directly related to the management of stormwater, including improvements designed to increase water quality in the City's waterways. Stormwater capital funds were used this past year, for example, to fund those improvements in the Executive Airport/Fiveash Wellfield area, which are directly related to water quality improvements. The FY 1999/2000 Stormwater operating budget is \$2,175,254, an increase of \$200,245 or 10.1% from the FY 1998/1999 budget. This increase results from the one time cost for upgrading a TV inspection truck which will result in a more efficient operation as well as a payment to the Water & Sewer Fund for the Stormwater Fund's portion of the utility billing operation. Stormwater revenues are sufficient to meet operational commitments with no increase in rates.

PARKING SERVICES FUND

The City's parking system provides 8,969 parking spaces located in three parking garages and numerous parking lots as well as on-street parking. The FY 1999/2000 Parking Services operating budget is \$5,424,455, an increase of \$594,969 from the FY 1998/1999 budget.

Parking Services is exploring the possibility of a public-private partnership to create additional publicly controlled parking at the beach by Sunrise Boulevard and A-1-A.

New public parking will be developed at the former helistop and homeless sites downtown, under the deck area of the new 17th Street Causeway Bridge and also at Earl Lifshey Park located at the S.E. corner of Oakland Park Boulevard and A-1-A.

The new BridgeSide Square development parking facility will provide 524 public parking spaces. The parking facility will be operated as an attendant facility after the first phase of construction is completed. Once construction is completed, multi-space parking meters and the sale of monthly parking permits will then be available at this parking facility.

Expansion of metered facilities and 24 hour enforcement in the downtown area, coupled with the opening of the garage at BridgeSide Square, necessitates four (4) additional positions in the enforcement (1) and meter repair (3) areas.

AIRPORT FUND

The Executive Airport Division of the Community and Economic Development Department develops, operates, and maintains Fort Lauderdale Executive Airport and Industrial Airpark and the Downtown Helistop. The Airport is self-sustaining, with revenue generated by land leases and fuel flowage fees.

Airport revenues are expected to increase by 6.28% from \$3,986,526 in Fiscal Year 1998/1999 to \$4,267,029 in FY 1999/2000. Expenses are predicted to remain flat from \$3,413,739 in FY 1998/99 to \$3,440,124 in FY 1999/2000. The budget surplus will total \$826,905 or 19% of projected revenues available for Airport Capital Improvements and the Airport Enterprise Fund. The Airport Enterprise Fund will total over \$8 million in FY 1999/2000.

Executive Airport achieved the rank of the 8th busiest general aviation airport in the country based on itinerant operations in 1998, serving a total of over 240,000 operations. It also ranks as the busiest general aviation airport for U.S. Custom's activity in the United States. The facility offers a 24-hour FAA Air Traffic Control Tower, U.S. Custom's service, 24-hour Aircraft Rescue and Fire-fighting, 24-hour contract security, and a Fort Lauderdale Police Substation. The Airport also offers an Airport Observation Area, two universities, the Broward County Sheriff's Aviation Unit, and an Army Reserve Engineer Battalion.

Six fixed base operators on the field provide fueling, maintenance, and other services to over 850 based aircraft, including 84 jets and 42 helicopters. Airport tenants pump over 7,000,000 gallons of fuel per year, 77% of which is jet fuel. Aviation-related businesses generate an annual economic impact of over \$150 million in the community and employ over 2,100 people.

The Airport Division, with the help of City Engineering, continued construction of the new \$3 million Downtown Helistop. This permanent elevated Helistop will replace the interim ground level facility developed across from City Hall in 1991. The new facility is scheduled for completion in late 1999 and

will provide quick and easy access to Fort Lauderdale's Central Business District. No local tax dollars are being used to complete this project.

SUNRISE KEY NEIGHBORHOOD IMPROVEMENT DISTRICT

In accordance with State Statute regarding safe neighborhood districts, the following budget is based upon a millage rate of 1.5 mills.

Professional Services	\$ 1,500
Security & Other Services	23,000
Vehicle Expenses	4,200
Repair and Maintenance	3,600
General/Liability Insurance	4,300
Contingencies	2,400
Matching Funds Project	<u>20,000</u>
Total	\$ 59,000

Insert SCHEDULE A

MILLAGE RATES AND POPULATION

INSERT SCHEDULE B

SOCIAL, CULTURAL AND PROMO